

AMENDED IN SENATE JANUARY 24, 2006

AMENDED IN SENATE JANUARY 5, 2006

AMENDED IN SENATE MARCH 30, 2005

SENATE BILL

No. 850

Introduced by Senator Escutia

February 22, 2005

An act to add Section 12019.5 to the Government Code, and to amend Section 280.5 of, and to add Section 871.9 to, the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

SB 850, as amended, Escutia. Broadband telecommunications service.

(1) Under existing law, the State Chief Information Officer is part of the Governor's Office, and acts as the special advisor to the Governor on information technology issues.

This bill would require the State Chief Information Officer to develop a strategy for making broadband telecommunications service accessible to all areas of the state, as prescribed, and would require the State Chief Information Officer to prepare and submit to the Legislature a report on the strategy developed before January 1, 2007, on or before January 1, 2008, to prepare and submit to the Legislature a report that analyzes the need for broadband telecommunications service accessible in all areas of the state and which assesses, by area, the extent of the digital divide. The bill would require that specified information relating to financing alternatives also be included in the report.

(2) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations. Existing law imposes various duties on the commission

with regard to the provision of universal telephone and telecommunications service.

Existing law requires the Director of General Services to compile and maintain an inventory of state-owned real property, excluding certain property, that may be available for lease to providers of wireless telecommunications services for location of wireless telecommunications facilities, and authorizes the director to negotiate and enter into an agreement for the lease of certain department-managed and state-owned real property to any provider of wireless telecommunications services for location of its facilities, subject to specified conditions.

Existing law creates the Digital Divide Account within the California Teleconnect Fund Administrative Committee Fund in the State Treasury. Existing law requires that 15% of the revenues from fees collected from the lease of state-owned real property to the providers of wireless telecommunication services pursuant to the above-described provisions, except for revenues from fees collected from a lease agreement for access to Department of Transportation property or a lease agreement existing prior to January 1, 2004, be deposited in the Digital Divide Account, to be available, upon appropriation by the Legislature, to finance digital divide projects through the Digital Divide Grant Program.

This bill would declare that the state's universal service policy should include the concept of universal availability of broadband service to all areas of the state, and would authorize moneys appropriated from the Digital Divide Account to be utilized to fund the costs incurred by the State Chief Information Officer to prepare and submit the broadband service strategy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12019.5 is added to the Government
- 2 Code, to read:
- 3 12019.5. (a) ~~The Notwithstanding Section 7550.5, the State~~
- 4 Chief Information Officer shall develop a strategy for making
- 5 broadband telecommunications service accessible to all areas of
- 6 the state. In developing that strategy, the State Chief Information
- 7 Officer shall consider all of the following:
- 8 (1) ~~How to encourage the deployment of privately financed~~
- 9 ~~broadband infrastructure.~~

1 ~~(2) Where privately financed infrastructure will not be deployed~~
2 ~~in a timely manner, how to encourage publicly financed~~
3 ~~infrastructure.~~

4 ~~(3) How public or private partnerships and cooperatives can be~~
5 ~~utilized.~~

6 ~~(b) Notwithstanding Section 7550.5, the State Chief Information~~
7 ~~Officer shall prepare and submit to the Legislature a report on the~~
8 ~~strategy developed pursuant to this section before January 1, 2008.~~
9 *prepare and submit to the Legislature, on or before January 1,*
10 *2008, a report that analyzes making broadband*
11 *telecommunications service accessible in all areas of the state.*
12 *That report shall include all of the following:*

13 *(1) An assessment of the need for broadband telecommunications*
14 *that are accessible in all areas of the state. The report shall also*
15 *assess, by area, the extent of the digital divide.*

16 *(2) A description of the alternatives for private and public*
17 *financing of the need identified pursuant to paragraph (1). The*
18 *description shall include partnerships or cooperative arrangements*
19 *of public and private financing.*

20 *(3) An analysis of the cost-effectiveness of the financing*
21 *alternatives identified in paragraph (2).*

22 SEC. 2. Section 280.5 of the Public Utilities Code is amended
23 to read:

24 280.5. (a) Of the revenues from fees collected pursuant to
25 Section 14666.8 of the Government Code after the operative date
26 of this section, except for revenues from fees from a lease
27 agreement for access to Department of Transportation property or
28 a lease agreement existing prior to the operative date of the section,
29 15 percent shall be available, upon appropriation by the Legislature,
30 for the purpose of addressing the state's digital divide.

31 (b) Revenues described in subdivision (a) shall be deposited in
32 the Digital Divide Account, which is hereby established in the
33 California Teleconnect Fund Administrative Committee Fund
34 established pursuant to Section 270, to be used only for digital
35 divide pilot projects and payment of the cost incurred to prepare
36 and submit the broadband service strategy incurred pursuant to
37 Section 12019.5 of the Government Code. Not more than 5 percent
38 of the revenues described in subdivision (a) may be used to pay
39 the costs incurred in connection with the administration of digital
40 divide pilot projects by the commission.

(c) (1) The Digital Divide Grant Program is hereby established subject to the availability of funding pursuant to this section. The commission may not implement the grant program until the commission projects that at least five hundred thousand dollars (\$500,000) will be available in the Digital Divide Account during the calendar year following implementation, based on money collected pursuant to Section 14666.8 of the Government Code.

(2) The commission shall provide grants pursuant to this subdivision on a competitive basis subject to criteria to be established by the commission and in a way that disburses the funds widely, including urban and rural areas. Grants shall be awarded to community-based nonprofit organizations that are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code for the purpose of funding community technology programs.

(3) Recipients of grants pursuant to this subdivision shall report to the commission annually on the effectiveness of the grant program.

(4) The commission shall report to the Legislature and the Governor annually on the effectiveness of the program administered pursuant to this subdivision.

(d) For purposes of this section, “community technology programs” means a program that is engaged in diffusing technology in local communities and training local communities in the use of technology, especially local communities that otherwise would have no access or limited access to the Internet and other technologies.

(e) For purposes of this section, “digital divide projects” means community technology programs involved in activities that include, but are not limited to, the following:

(1) Providing open access to and opportunities for training in technology.

(2) Developing content relevant to the interests and wants of the local community.

(3) Preparing youth for opportunities in the new economy through multimedia training and skills.

(4) Harnessing technology for e-government services.

SEC. 3. Section 871.9 is added to the Public Utilities Code, to read:

1 871.9. (a) The Legislature finds and declares all of the
2 following:

3 (1) California has long had a policy of universal telephone
4 service that resulted in programs that helped individuals obtain
5 affordable access to basic telephone service.

6 (2) Broadband telecommunications service, whether provided
7 by cable, fiber optic line, or wirelessly, provides much greater
8 capability than basic telephone service.

9 (3) Broadband telecommunications service has been rapidly
10 adopted, with about 30,000,000 broadband customers nationwide.

11 (4) However, broadband service is not offered in many areas
12 of this state. About 25 percent of cities in this state do not have
13 any broadband access.

14 (5) Broadband service is the foundation for our nation's
15 continued technological and economic leadership.

16 (6) The absence of broadband is a barrier to economic
17 development.

18 (7) The President of the United States has declared that the
19 country should have universal, affordable broadband access by
20 2007.

21 (b) The Legislature further finds and declares that this state's
22 universal service policy should include the concept of universal
23 availability of broadband service to all areas of the state.